



**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina Ghaly, M.D.
Deputy Director, Strategic Planning

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213)240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

*To ensure access to high-quality,
patient-centered, cost-effective health
care to Los Angeles County residents
through direct services at DHS facilities
and through collaboration with
community and university partners.*



www.dhs.lacounty.gov

January 07, 2014

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO AGREEMENT FOR INTRA-AORTIC
BALLOON PUMP AND CLINICAL PERFUSION TECHNICIAN SERVICES
(SUPERVISORIAL DISTRICT 2)
(3 VOTES)**

SUBJECT

Request approval of an Amendment to extend the Agreement with SpecialtyCare Cardiovascular Resources Inc. for the continued provision of intra-aortic balloon pump and clinical perfusion services at Harbor-UCLA Medical Center.

IT IS RECOMMENDED THAT THE BOARD:

1. Authorize the Director of Health Services (Director), or his designee, to execute an Amendment to extend Agreement No. H-703704 with SpecialtyCare Cardiovascular Resources, Inc. (SCR) effective upon Board approval, to: i) extend the Agreement term three years, for the period of February 1, 2014 through January 31, 2017, with options to extend the Agreement term further for up to two additional one-year periods, for the continued provision of Intra-Aortic Balloon Pump (IABP) and Clinical Perfusion Technician (CPT) services at Harbor-UCLA Medical Center (H-UCLA MC), with no increase to the rates, at an estimated annual cost of \$1.01 million ii) update the list of equipment SCR will provide during the extended term; and iii) update and add Board required provisions.
2. Delegate authority to the Director, or his designee, to execute future Amendments to the Agreement to extend the term for up to two additional one-year periods through January 31, 2019, subject to approval by County

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

23 January 7, 2014

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Counsel, and with notification to the Board and the Chief Executive Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director to execute an Amendment, substantially similar to Exhibit I, to ensure that H-UCLA MC can continue to receive IABP and CPT services through January 31, 2017. These services are critical for open heart surgery patients at H-UCLA MC. Under the current Agreement that expires January 31, 2014, SCR provides certified CPTs and auto-transfusion technicians to operate and monitor a heart lung pump machine, auto-transfusion equipment, and related clinical services during heart surgeries. SCR also provides the necessary equipment and supplies to perform the services, the cost of which is included as a component in the current Agreement's fee schedule.

IABP is used for patients who have severe heart failure, including those with a severe heart attack or cardiomyopathy (severe heart muscle weakness), and patients who are recovering from open heart surgery or waiting for a heart transplant. SCR's certified CPTs are specialized healthcare professionals who operate the heart-lung machine during cardiac surgery and other surgeries that require cardiopulmonary bypass to manage the patient's physiological status.

In preparing for H-UCLA MC's grand opening of its new emergency/surgery building in January 2014, and anticipating that surgeries will take place in this new location as early as the last week of January 2014, H-UCLA MC and SCR identified new state of the art equipment that could improve patient safety as a replacement to existing SCR provided equipment that is approaching the end of useful life. This will also indirectly save the County money in other areas by allowing for reduced or eliminated usage of certain blood products and cardioplegia systems. SCR will provide new equipment for its exclusive use in the new H-UCLA MC location with no increase to the Agreement's existing fee schedule. In addition to extending the Agreement term, the recommended Amendment will update the capital equipment schedule to provide for additional and updated equipment. All new equipment has been approved by H-UCLA MC staff. Furthermore, SCR will continue to keep and maintain all equipment it provides in good working order.

Approval of the second recommendation will allow the Director to further extend the current Agreement up to two additional one-year periods, through January 31, 2019.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness, and Goal 3, Integrated Services Delivery, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The estimated annual cost for the services is \$1.01 million. The existing fees for the provision of services and SCR provided equipment will remain the same during the extension period.

Funding is included in the Department of Health Services (DHS) Fiscal Year 20013-14 Final Budget and will be requested in future fiscal years as needed.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 13, 2009, the Board approved the current Agreement with SCR (formerly known as HCSG Cardiovascular Resources, Inc.) for a five year period, effective February 1, 2009 through January 31, 2014. Most recently on July 13, 2013, via Amendment No.1, DHS exercised its delegated authority to do a Contractor name change, from HCSG Cardiovascular Resources Inc. (HCSG) to SCR.

With the recommended Amendment, SCR will continue to provide certified CPTs and auto-transfusion technicians to operate and monitor a heart lung pump machine, auto-transfusion equipment, and related clinical services during heart surgeries. SCR will also continue to provide the necessary equipment and supplies, the cost of which is included as a component in the monthly fees. SCR staff will be on call on a 24 hour, seven-day-a-week basis, and available within 45 minutes upon notification.

DHS has determined that the provisions for the Living Wage Program (County Code Chapter 2.201) do not apply to this Agreement, since the services are provided on an as needed intermittent basis.

The Amendment includes all the latest Board mandated language. The Agreement may be terminated by County when determined to be in its best interest with the provision of 30 days prior written notice.

County Counsel has approved Exhibit I as to form.

CONTRACTING PROCESS

On July 11, 2008, DHS solicited responses via a Request for Information (RFI) process, and SCR was the only respondent who met all the mandatory requirements in the RFI. As a result DHS recommended contracting with SCR and the current Agreement became effective February 1, 2009.

SCR has served as an integral partner with H-UCLA MC in preparing for the anticipated opening of the new emergency/surgery building. DHS has negotiated an amended Agreement with SCR which will maintain access to critical services and provide patients with access to state of the art equipment at existing rates, with the additional benefits of improved patient care delivery services and health outcomes. SCR has consistently provided high quality service to H-UCLA MC and complied with the terms of its Agreement. Maintaining the current Contractor provides continuity of services and makes for a smooth transition and stabilization period for the new location that will benefit County patients throughout the remaining life of the Agreement. Therefore, DHS has determined it to be in the best interest of the County to continue contracting with SCR for the recommended extension period.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of this Agreement will allow DHS to continue with uninterrupted IABP and CPT services at H-UCLA MC.

The Honorable Board of Supervisors

1/7/2014

Page 4

Respectfully submitted,

A handwritten signature in black ink, reading "Mitchell Katz". The signature is written in a cursive, flowing style.

Mitchell H. Katz, M.D.

Director

MHK:ev

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

EXHIBIT I

Contract No. H-703704

INTRA-AORTIC BALLOON PUMP AND CLINICAL PERFUSION TECHNICIAN SERVICES AGREEMENT

AMENDMENT No. 2

THIS AMENDMENT is entered into this _____ day
of _____, 2013,

by and between COUNTY OF LOS ANGELES (hereafter
"County"),

and SPECIALTYCARE CARDIOVASCULAR
RESOURCES, INC.
(hereafter "Contractor")

Business Address:
12135 Dearborn Place
Poway, CA 92064

WHEREAS, reference is made to that certain document entitled "INTRA-AORTIC BALLOON PUMP AND CLINICAL PERFUSION TECHNICAL SERVICES", dated January 28, 2009, and further identified as County Agreement No. H-703704, and any amendments thereto (all hereafter referred to as "Agreement"); and

WHEREAS, it is the intent of the parties to extend the Agreement term, for the period February 1, 2014 through January 31, 2017, with the option to further extend the Agreement term for up to two (2) additional one-year periods, and make other changes to the Agreement as described herein: and

WHEREAS, the parties intend for Contractor to update and replace existing equipment with new equipment as needed for the performance of services under the

Agreement , commencing February 1, 2014, at no additional cost to the County. The cost for use of this equipment is included as a component in the Agreement, Schedule 1, Fee Schedule; and

WHEREAS, Agreement Paragraph 8, includes provisions regarding "CONTRACTOR'S OBLIGATIONS AS A BUSINESS ASSOCIATE UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996; and

WHEREAS, on January 25, 2013, the U.S. Department of Health and Human Services published in the Federal Register its omnibus final rule modifying the privacy, security, enforcement, and breach notification regulations under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), and made this rule effective March 26, 2013; and

WHEREAS, these revised regulations require County to modify Agreement's Business Associate Agreement provisions; and

WHEREAS, Agreement's Business Associate Agreement provisions provide that County and Contractor will take action as is necessary to amend the Business Associate Agreement in order for the County to comply with its regulatory obligations; and

WHEREAS, County and Contractor intend to amend Agreement to incorporate the revised Business Associate Agreement provisions, which shall supersede and replace any prior Business Associate Agreement provision; and

WHEREAS, Agreement provides that changes may be made to update certain terms and conditions in accordance to Paragraph 11, ALTERATION OF TERMS, may

be made in the form of an Amendment which is formally approved and executed by the parties.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. This Amendment shall commence and be effective on the date identified at the top of the first page of this document.

2. Agreement, Paragraph 1, TERM, first Paragraph shall be deleted in its entirety and replaced as follows:

"1. TERM: This Agreement shall be effective January 28, 2009 and shall continue, unless sooner terminated or canceled, in full force and effect to and including January 31, 2017. The Director of Health Services or his designee shall have the option to extend the term of this Agreement, beyond the January 31, 2017 expiration date, for up to two (2) additional one-year periods through January 31, 2019, for a total of five years. The County maintains databases that track/monitor Contractor performance history. Information entered into such databases may be used for a variety of purposes, including determining whether the County will exercise a contract term extension option."

3. Agreement, Paragraph 4.0 INDEMNIFICATION AND INSURANCE, Sub-Paragraph 4. A shall be deleted in its entirety and replaced as follows:

"A. Indemnification:

The Contractor shall indemnify, defend and hold harmless the County, its Special Districts, elected and appointed officers, employees, agents and volunteers ("County Indemnitees") from and against any and all liability,

including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from and/or relating to this Agreement, except for such loss or damage arising from the sole negligence or willful misconduct of the County Indemnitees.”

4. Paragraph 8, HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA), shall be deleted in its entirety and replaced as follows:

“8. HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPAA): The County is subject to the Administrative Simplification requirements and prohibitions of the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 (HIPAA), and regulations promulgated thereunder, including the Privacy, Security, Breach Notification, and Enforcement Rules at 45 Code of Federal Regulations (C.F.R.) Parts 160 and 164 (collectively, the “HIPAA Rules”). Under this Agreement, the Contractor provides services to the County and the Contractor receives, has access to, and/or creates Protected Health Information as defined in Exhibit D in order to provide those services. The County and the Contractor therefore agree to the terms of Exhibit D, Business Associate Under Health Insurance Portability and Accountability Act of 1996 (HIPAA).”

5. Agreement, Exhibit D, BUSINESS ASSOCIATE AGREEMENT UNDER THE HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (“HIPAA”), is added to Agreement, attached hereto and incorporated herein by reference.

6. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM. shall be added to Agreement, Additional Provisions as Paragraph No. 56, and to read as follows:

"56. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

A. Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

B. Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that, to the best of its knowledge, it is now in compliance, and during the term of this Contract will maintain compliance, with Los Angeles Code Chapter 2.206."

7. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM, shall be added to Agreement, Additional Provisions No. 57 to read as follows:

"57. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Additional Provisions Sub-paragraph 56 – Contractor's Warranty of Compliance

with County's Defaulted Property Tax Reduction Program shall constitute default under this Contract. Without limiting the rights and remedies available to County under any other provision of this Contract, failure of Contractor to cure such default within 10 days of notice shall be grounds upon which County may terminate this Contract and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206."

8. Agreement, Attachment B, Schedule 3 Capital Equipment Schedule shall be deleted in its entirety and replaced by Schedule 3-1, attached hereto and incorporated herein by reference. All references to Schedule 3 in the Agreement shall be hereafter replaced by Schedule 3-1.

9. Except for the changes set forth hereinabove, all terms and conditions of the Agreement shall remain the same and shall remain in full force and effect.

/

/

/

/

/

/

/

/

/

/

/

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be executed by its Director of Health Services and Contractor has caused this Amendment to be executed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Mitchell H. Katz, M.D.
Director of Health Services

SPECIALTYCARE CARDIOVASCULAR
RESOURCES, INC.
Contractor

By _____
Signature

Printed Name

Title

APPROVED AS TO FORM
BY THE OFFICE OF THE
COUNTY COUNSEL